Workshop on “Strengthening the capacities of developing countries and countries with economics in transition to facilitate legitimate border crossing. Regional cooperation and integration”
CASABLANCA, 2 to 4 December 2015
Welcome

• Introduction to the WCO

• Globally Network Customs
Segment 1: Introduction to the WCO

- Overview of the WCO
- Trade Facilitation Tools, Instruments & Guidelines
Introduction to the WCO - Vision & Mission

Borders divide, Customs connects
Dynamically leading modernization and connectivity in a rapidly changing world.

The WCO provides leadership, guidance and support to Customs administrations to secure and facilitate legitimate trade, realize revenues, protect society and build capacity.
Strategic Plan

Vision

Customs in the 21st Century

- Trade Facilitation & Security
- Fair & Efficient Revenue Collection
- Protection of Society
- Institutional & Human Resource Development

International Cooperation

- Raising Profile, Capacity Building Delivery
- Research

Values & Mission

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WCO Committees

Customs Co-Operation Council “The Council”

Permanent Technical Committee (PTC)

- Information Management Subcommittee (IMSC)
- Administrative Committees for Istanbul Convention ATA Convention
- 1972 Container Convention
- WCO/IATA/ICAO/API Contact Committee

WCO/UPU Contact Committee

WCO/ICC Contact Committee

RKC Management Committee

Policy Commission

- Finance Committee
- Harmonized System Committee
  - HSC Working Party
  - Scientific Committee
- Enforcement Committee

Technical Committee on Rules of Origin (WTO)

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Trade Facilitation Tools, Instruments & Guidelines

- Conventions
  - Legally binding

- Recommendations
  - Adopted by WCO Council
  - Not binding, but formally adopted with conditions that implicitly commits administrations to implement its provisions

- Tools
  - Non-binding informal publications
  - Developed to help members and traders in the Customs area
Conventions:

RKC: Blueprint for Modern Customs Administration

- International Convention on the Simplification & Harmonization of Customs Procedures 1999
- Risk Management & Audit controls
- Pre-arrival processing
- Limit information to that necessary for compliance with Customs’ law
- Electronic submission of declarations and supporting documents
- Use of international standards
Recommendations

- Of relevance here:
  - Dematerialization of supporting documents
  - Use of WCO Data Model
Tools

- SAFE Package
- Data Model
- UCR Guidelines
- Transit Handbook

- ISCM Guidelines
- CBM Compendium
- SW Compendium
Customs in the 21st Century

- Approved as the future Customs roadmap
- 10 building blocks for C21
- Interlinked, integrated
What is GNC?

The voluntary arrangement between two or more Members for a seamless exchange of cross border information at a Customs to Customs level using a standardized approach based on existing WCO instruments.
How will GNC be achieved?

By gradually moving away from the current individually hand-crafted method for negotiating International Agreements and using a disciplined and common methodology to industrialize the process.
Section I – 12 articles regarding Trade Facilitation and Customs Cooperation

Art.12 Customs cooperation

Art.12.2 “Members shall exchange the information set out in subparagraphs 6.1(b) and/or (c) for the purpose of verifying an import or export declaration…”

“6.1 (b) ….specific information as set out in the import or export declaration, or the declaration, to the extent it is available, along with a description of the level of protection and confidentiality required of the requesting Member;

6.1 (c) ….specific information as set out in the following documents, or the documents, submitted in support of the import or export declaration, to the extent it is available: commercial Invoice, packing list, certificate of origin and bill of lading, in the form in which these were filed, whether paper or electronic, along with a description of the level of protection and confidentiality required of the requesting Member;”
What is GNC based on?

It capitalizes on the WCO strength of producing Standards, which are supported by Protocols and Guidelines so that Members can develop re-usable Utility Blocks delivering simple solutions for sharing information with key trading partners in line with Members’ priorities.
Utility block could be defined as

“a functional subset of GNC offering a tangible value proposition to Customs administrations by meeting specific needs through the sharing of information.”

Utility blocks are designed based on

- Business rules, Protocols, Standards and Guidelines.

Examples: AEO, Valuation Fraud, Trade Recovery, Air Cargo Security, Origin Fraud…any area of Customs business
How is a Utility Block produced?

Using a Template, and the GNC Protocols, Standards and Guidelines at least two Members take a specific part of the Customs Business and describe what is needed for information exchange, including the reasons for doing so, listing the specific data elements required, the necessary Communications mechanisms, and finally, the IT message specifications.
# The Utility Block

<table>
<thead>
<tr>
<th>Name of the Block</th>
<th>e.g. AEO, Commercial Fraud</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>What the block is supposed to do.</td>
</tr>
<tr>
<td>Legal Framework</td>
<td>The law, including the instrument providing the legal gateway.</td>
</tr>
<tr>
<td>Entities</td>
<td>Those who can send/receive information, and the methods of identifying them.</td>
</tr>
<tr>
<td>Business Rules</td>
<td>The specific rules for the UB. If not described elsewhere, includes relevant Protocols, Standards and Guidelines.</td>
</tr>
<tr>
<td>Data Cluster</td>
<td>The list of data elements for the UB</td>
</tr>
<tr>
<td>Triggers</td>
<td>Events that either start the data flow, or respond to data receipt</td>
</tr>
<tr>
<td>Interface</td>
<td>How the parties in a GNC relationship are connected</td>
</tr>
<tr>
<td>Integration</td>
<td>How a GNC partner connects to its own systems</td>
</tr>
<tr>
<td>Communication</td>
<td>The electronic means of exchanging information</td>
</tr>
<tr>
<td>Advantages</td>
<td>Benefits delivered to: Customs, Business and Other Agencies</td>
</tr>
</tbody>
</table>
Data exchange systems UB

- Systematic Exchange of Electronic Data (SEED) managed by Serbia
- INDIRA (Argentina)
- Two projects run by the EU (DG TAXUD) including one that involves the mutual recognition of AEO requirements with the US
- Southern African Development Community managed by South Africa
- WCO’s CENcomm for EU and China under the Smart and Secure Trade lanes (SSTL)
- South Asia Sub-regional Economic Community (SASEC) (project under development)
GNC Architecture – Enabling Inter-Operability through neutral architecture

National Domain

Commercial Track (T1) Country A
Enforcement Track (T2)

Info received
Info generated
T1 Superset of data

GNC

Utility Blocks
AEO
Supply Chain Integrity
Risk Evaluation Engine
Commercial Fraud
Single window
Narcotics & Precursors
Others

T1 Superset of data

National Domain

Commercial Track (T1) Country B
Enforcement Track (T2)

Info received
Info generated
T2 Superset of data
4 levels of inter-operability

The ‘interoperability vision’ is realized when interaction between systems become cheap, fast and reliable. Interoperability lets software applications running on different technology platforms communicate with each other using various communication protocols. The lack of ability to share information between computer systems is often a question of cost. (Ulandscapewicz, et al. 2010)

- **Legal Inter-operability**
  - Legislative Alignment

- **Organizational Inter-operability**
  - Organization & Process Alignment

- **Semantic Inter-operability**
  - Semantic Alignment

- **Technical Inter-operability**
  - Interaction & Transport

GNC Maturation Process

- Stakeholders or involved parties.
- Information to be exchanged;
- IT applications; and
What else is involved?

There is an overarching GNC Architecture and Business Process Model. A Legal Toolbox describes the GNC impact on international agreements. At inception, Capacity Building was included. A description of the self-financing nature of GNC, and a simulation of costs and benefits appears in the Governance model.
What next?

We move to a Proof-of-Concept phase ending about 2015.

WCO is working on a guide for GNC.

The long term vision runs to 2028.

On the initiative of Members, GNC can grow to include:

- other Government Agencies,
- the Private Sector,
- more modern methods of Communication.

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GLOBALLY NETWORK CUSTOMS

Thank You!
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